

## Some Stats on Fraud From RTTN's Gov Report

- Median Loss = \$118,000 with Median Duration = 18 months
- Asset Misappropriation = 88% of Government Fraud, but losses in this category were  $\frac{1}{3}$  of Financial Statement Fraud and  $\frac{1}{4}$  of Corruption
- Fraud detected by Tip = 45% vs 15% by Internal Audit
- Government agencies with Tip lines = 66%
- Who Tips = Employees 54%, Anonymous 17%, Customers 15%
- Tip Sources = Hotline 40%, Website 27%, Letter 24%, Email 18%
- Non-hotline Tips = Supervisors 39%, Law Enforcement 21%, Audit 13%

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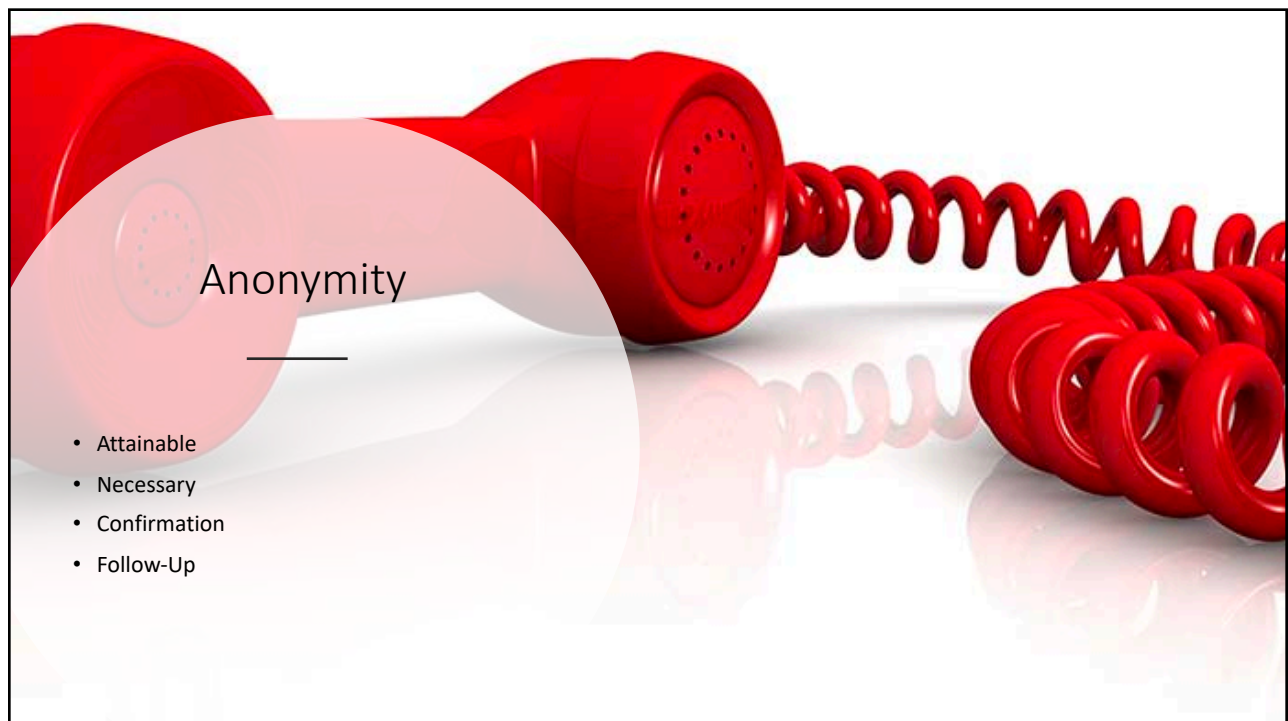


## Relationship of Size to Fraud Risk

- Less than 100 EE's = fewest cases but largest median losses
- 100 to 999 EE's = slightly more cases, but half the median loss
- 1,000 to 9,999 EE's = Most cases, but half again the median loss

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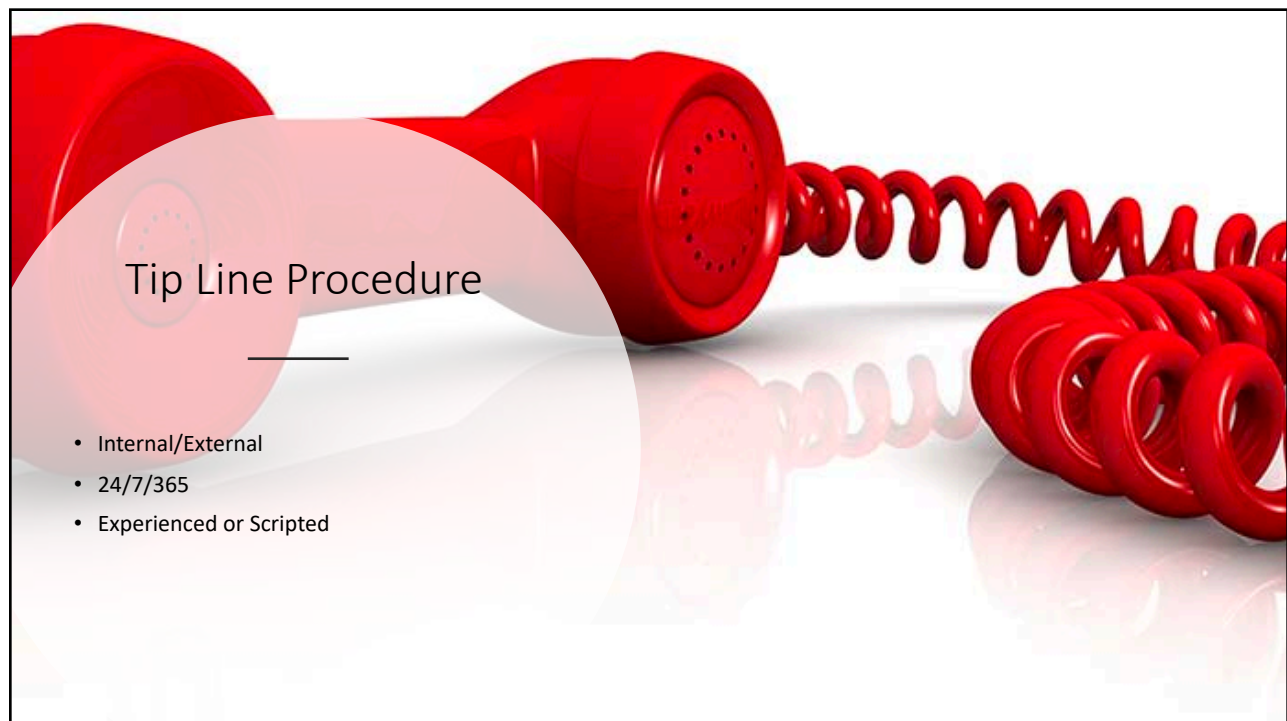




Defining Fraud

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- Embezzlement of Funds
- Inappropriate Use of Funds
- Corrupt Use of Funds
- Unauthorized Use of Public Property



Tip Line Procedure

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- Internal/External
- 24/7/365
- Experienced or Scripted

